

ASSEMBLY BILL

No. 1445

Introduced by Assembly Member Plescia

February 23, 2007

An act to amend Section 25503.2 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1445, as introduced, Plescia. Alcoholic beverage licenses: off-sale: tied-house restrictions.

Existing provisions of the Alcoholic Beverage Control Act, known as “tied-house” restrictions, generally prohibit manufacturers, winegrowers, bottlers, importers, wholesalers, and others from performing certain activities, with specified exceptions. Existing law allows any winegrower, wine blender, beer manufacturer, brandy manufacturer, distilled spirits manufacturer, distilled spirits manufacturer’s agent, rectifier, distilled spirits wholesaler, and beer and wine wholesaler, or their authorized agents, to perform certain services for off-sale retail licensees at or on the premises of the off-sale retail licensee with the licensee’s permission relating to stacking, rotating, servicing, and taking inventory of stock.

This bill would make technical, nonsubstantive changes to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 25503.2 of the Business and Professions Code is amended to read:

25503.2. (a) Notwithstanding any other provision in this division, any winegrower, wine blender, beer manufacturer, brandy manufacturer, distilled spirits manufacturer, distilled spirits manufacturer's agent, rectifier, distilled spirits wholesaler, and beer and wine wholesaler, or the authorized agent or agents or representative or representatives of that licensee, may perform any of the following services for off-sale retail licensees at or on the premises of the off-sale retail licensee with the retail licensee's permission:

(1) Stack or arrange cases of the brand or brands of alcoholic beverages owned or sold by the licensee performing the service in the storeroom or warehouse where the off-sale retail licensee stores the brand or brands.

(2) Rotate the brand or brands owned or sold by the licensee performing the service on shelves and in refrigerated boxes, and rearrange bottles or packages of the brand or brands by moving the bottles or packages horizontally or vertically from shelf to shelf in the space and shelves allocated to the brand or brands. This paragraph does not permit the removal of any brand or brands of alcoholic beverages, except beer, which are owned or sold by the licensee performing the service, from the storeroom or other place belonging to an off-sale retailer for the purpose of replacing alcoholic beverages on or restocking shelves or refrigerated boxes.

(3) Take an inventory of an off-sale retailer's stock of a brand or brands of alcoholic beverages ~~which~~ *that* are owned or sold by the licensee performing the service and ~~which~~ *that* are in the stockroom or other place belonging to the off-sale retailer.

(4) Service the brand or brands of alcoholic beverages owned or sold by the licensee performing the service ~~which~~ *that* are on shelves, fixtures, or other display pieces at the off-sale retail premises, including, but not limited to dusting bottles and shelves and refrigerated boxes allocated to the brand or brands at the retail premises. The licensees authorized to render services by this section and their agents and representatives may not price-mark individual containers of the brand of alcoholic beverages, except beer, owned

1 or sold by the licensee performing the service, except for individual
2 bottles used on floor displays.

3 (5) Rotate or rearrange the brand or brands of wine or distilled
4 spirits owned or sold by the licensee on, in, or among permanent
5 shelves, permanent fixtures, refrigerated boxes, or floor or other
6 displays or display pieces; stock the brand or brands onto or into
7 floor or other displays or display pieces; and stock the brand or
8 brands onto or into permanent shelves, permanent fixtures, or
9 refrigerated boxes for the sole purposes of the introduction of new
10 products, the resetting or rearrangement of existing products, or
11 the setting or arranging of new stores. Incidental touching or
12 rearrangement of the brand or brands of another licensee by a
13 licensee performing any of the services authorized by this
14 paragraph for the sole purpose of accessing permanent shelves,
15 permanent fixtures, and other spaces allocated to the licensee
16 performing the service shall not be deemed to be a violation of
17 any provision of this division provided the other licensee's brands
18 are not removed from spaces allocated to that licensee. Nothing
19 in this paragraph permits stocking permanent shelves, permanent
20 fixtures, or refrigerated boxes for regular inventory replenishment.

21 (b) Notwithstanding any other provision in this division, any
22 beer manufacturer or beer and wine wholesaler, or the authorized
23 agent or agents or representative or representatives of that licensee,
24 may perform any of the services specified in paragraphs (1) to (4),
25 inclusive, of subdivision (a), with respect to beer, for on-sale retail
26 licensees at or on the premises of the on-sale retail licensee with
27 the retail licensee's permission.